

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Smartworks Coworking Spaces Private Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of **Smartworks Coworking Spaces Private Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's reports thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such financial controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses disclaimer of opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
- g. In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.



**Deloitte  
Haskins & Sells LLP**

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)



A handwritten signature in black ink, appearing to read "Nilesh".

**Nilesh H. Lahoti**  
Partner

(Membership No. 0130054)  
(UDIN: 22130054BBLMCR3140)

Place: New Delhi  
Date: October 31, 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of **Smartworks Coworking Spaces Private Limited** ("the Company") as at March 31, 2022 in conjunction with our audit of Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in "Basis for Disclaimer of Opinion" paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.



**Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Financial Statements of the Company as at and for the year ended March 31, 2022, and the disclaimer does not affect our opinion on the said Standalone Financial Statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)



**Nilesh H. Lahoti**  
Partner

(Membership No. 0130054)

(UDIN: 22130054BBLMCR3140)

Place: New Delhi  
Date: October 31, 2022

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) In respect of Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right of use assets except in the case of certain Property, Plant and Equipment, where the Company is in the process of updating the records for situation of these assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company, certain assets which due to their nature or location are not verifiable, has a program of verification of property, plant and equipment, capital work in-progress, and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, capital work-in progress and right of use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, material discrepancies were noticed on such physical verification and the said material discrepancies aggregating to Rs. 11 Mn in the carrying value of certain category of Property, Plant and Equipment have been properly dealt with in the books of accounts.

(c) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) and hence reporting under clause of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment, right of use assets and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)(a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(ii) (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has granted loans, unsecured, to companies or any other parties during the year, in respect of which:





- (a) The Company has provided loans (excluding loans to employees), during the year and details of which are given below:

<b>Amount in Rs. million</b>	
	<b>Loan Amounts</b>
A. Aggregate amount granted / provided during the year to subsidiaries	4.02
B. Balance outstanding as at balance sheet date	4.02

- (b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has granted loans which are payable on demand. During the year the Company has not demanded such loans. Having regard to the fact that the repayment of principal or payment of interest, wherever applicable, has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the Company has not demanded such loans.
- (e) None of the loans granted by the Company have fallen due during the year as the Company has not demanded such loans.
- (f) Above mentioned loans in clause (iii) (a) granted by the Company are repayable on demand.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues applicable to the Company has generally been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (viii) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (ix) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

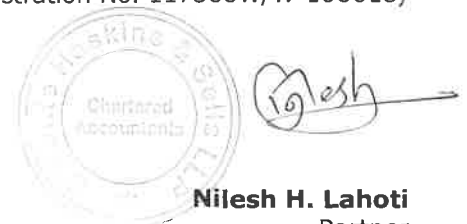


- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis Rs 124 Mn have been used during the year for long-term purposes by the Company. Refer Note 18 to the financial statements.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (b) The Company is a private company and hence the provisions of section 177 of the Act do not apply to the Company, accordingly clause (xi) (c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) The Company has internal audit system under section 138 of the Companies Act, 2013 which in our opinion does not commensurate with the size and nature of operations.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has incurred losses during the three immediately preceding financial years and hence, it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Nilesh H. Lahoti**  
Partner  
(Membership No.130054)  
(UDIN: 22130054BBLMCR3140)

Place: New Delhi  
Date: October 31, 2022

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Smartworks Coworking Spaces Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **Smartworks Coworking Spaces Private Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's reports thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such financial controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses disclaimer of opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
- g. In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.



2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)



**Nilesh H. Lahoti**  
Partner  
(Membership No. 0130054)  
(UDIN: 22130054BBLMCR3140)

Place: New Delhi  
Date: October 31, 2022



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of **Smartworks Coworking Spaces Private Limited** ("the Company") as at March 31, 2022 in conjunction with our audit of Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

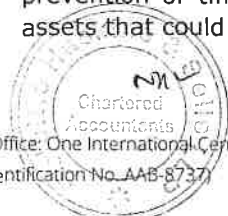
#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in "Basis for Disclaimer of Opinion" paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.



**Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Financial Statements of the Company as at and for the year ended March 31, 2022, and the disclaimer does not affect our opinion on the said Standalone Financial Statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)



**Nilesh H. Lahoti**  
Partner  
(Membership No. 0130054)  
(UDIN: 22130054BBLMCR3140)

Place: New Delhi  
Date: October 31, 2022

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) In respect of Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right of use assets except in the case of certain Property, Plant and Equipment, where the Company is in the process of updating the records for situation of these assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company, certain assets which due to their nature or location are not verifiable, has a program of verification of property, plant and equipment, capital work in-progress, and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, capital work-in progress and right of use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, material discrepancies were noticed on such physical verification and the said material discrepancies aggregating to Rs. 11 Mn in the carrying value of certain category of Property, Plant and Equipment have been properly dealt with in the books of accounts.

(c) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) and hence reporting under clause of the Order is not applicable.

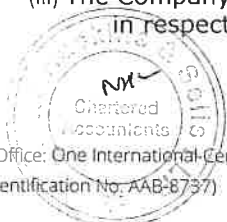
(d) The Company has not revalued any of its property, plant and equipment, right of use assets and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)(a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(ii) (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has granted loans, unsecured, to companies or any other parties during the year, in respect of which:



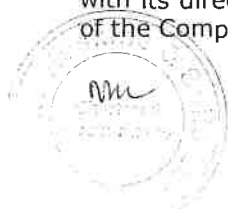
- (a) The Company has provided loans (excluding loans to employees), during the year and details of which are given below:

<b>Amount in Rs. million</b>	
	<b>Loan Amounts</b>
A. Aggregate amount granted / provided during the year to subsidiaries	4.02
B. Balance outstanding as at balance sheet date	4.02

- (b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has granted loans which are payable on demand. During the year the Company has not demanded such loans. Having regard to the fact that the repayment of principal or payment of interest, wherever applicable, has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the Company has not demanded such loans.
- (e) None of the loans granted by the Company have fallen due during the year as the Company has not demanded such loans.
- (f) Above mentioned loans in clause (iii) (a) granted by the Company are repayable on demand.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues applicable to the Company has generally been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (viii) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (ix) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

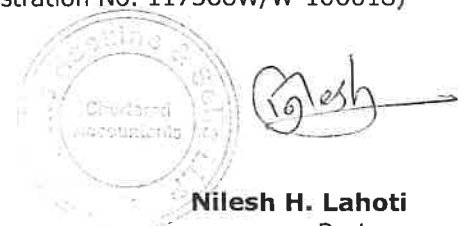


- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis Rs 124 Mn have been used during the year for long-term purposes by the Company. Refer Note 18 to the financial statements.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (b) The Company is a private company and hence the provisions of section 177 of the Act do not apply to the Company, accordingly clause (xi) (c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) The Company has internal audit system under section 138 of the Companies Act, 2013 which in our opinion does not commensurate with the size and nature of operations.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has incurred losses during the three immediately preceding financial years and hence, it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Nilesh H. Lahoti**  
Partner  
(Membership No.130054)  
(UDIN: 22130054BBLMCR3140)

Place: New Delhi  
Date: October 31, 2022

**Smartworks Coworking Spaces Private Limited**  
(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Standalone Balance Sheet as at March 31, 2022**

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property plant and equipment	4	3,966.57	3,115.08
(b) Right-of-use assets	5	19,307.48	8,615.90
(c) Capital work-in-progress	6	868.59	129.69
(d) Intangible assets	7	5.98	5.99
(e) Investments in subsidiaries	8	0.20	0.20
(f) Financial assets			
(i) Other financial assets	9	1,270.20	846.05
(g) Deferred tax assets (net)	10	644.19	401.48
(h) Income tax assets (net)	11	179.50	133.53
(i) Other non-current assets	12	380.07	160.91
		<b>26,622.78</b>	<b>13,408.83</b>
<b>2 Current assets</b>			
(a) Financial assets			
(i) Trade receivables	13	105.02	70.61
(ii) Cash and cash equivalents	14	222.66	93.38
(iii) Other bank balances	15	796.77	929.61
(iv) Loans	16	3.89	-
(v) Other financial assets	9	112.50	81.89
(b) Other current assets	12	732.74	341.98
		1,973.58	1,517.47
(c) Assets classified as held for sale	39	-	11.86
		<b>1,973.58</b>	<b>1,529.33</b>
<b>1+2 TOTAL</b>		<b>28,596.36</b>	<b>14,938.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>3 Equity</b>			
(a) Equity share capital	17	771.96	771.96
(b) Other equity	18	370.68	1,069.06
<b>Total equity</b>		<b>1,142.64</b>	<b>1,841.02</b>
<b>Liabilities</b>			
<b>4 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities		20,505.92	9,198.70
(ii) Borrowings	19	1,147.10	659.55
(iii) Other financial liabilities	22	808.62	234.24
(b) Provisions	20	27.66	15.13
(c) Other non-current liabilities	23	171.23	27.51
		<b>22,660.53</b>	<b>10,135.13</b>
<b>5 Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities		1,687.24	1,090.18
(ii) Borrowings	19	1,328.93	683.24
(iii) Trade payables	21		
- due to micro and small enterprises		101.81	45.41
- Others		350.01	160.87
(iv) Other financial liabilities	22	1,179.14	897.89
(b) Provisions	20	3.30	1.38
(c) Other current liabilities	23	142.76	83.04
		<b>4,793.19</b>	<b>2,962.01</b>
<b>3+4+5 TOTAL</b>		<b>28,596.36</b>	<b>14,938.16</b>


See accompanying notes forming part of the Ind AS Standalone Financial Statements (1-44)  
As per our report of even date

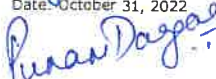
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration Number: 117366 W/W-100018)


  
**Nilesh H. Lahoti**  
Partner  
Membership No: 130054  
Place: New Delhi  
Date: October 31, 2022



**For and on behalf of the Board of Directors of Smartworks Coworking Spaces Private Limited**

  
**Neetish Sarda**  
Managing Director  
DIN: 07262894  
Place: Noida  
Date: October 31, 2022

  
**Punam Dargar**  
Company Secretary  
Place: Noida  
Date: October 31, 2022

  
**Harsh Binani**  
Wholetime Director  
DIN: 07717396  
Place: Noida  
Date: October 31, 2022



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, except per share data)

**Standalone Statement of Profit and Loss for the year ended March 31, 2022**

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>REVENUE</b>			
1 Revenue from operations	24	3,602.41	2,796.17
2 Other income	25	339.71	301.13
<b>3 Total revenue (1+2)</b>		<b>3,942.12</b>	<b>3,097.30</b>
<b>EXPENSES</b>			
(a) Operating expenses	26	1,081.79	819.46
(b) Employee benefits expense	27	255.59	187.04
(c) Finance costs	28	1,223.55	965.08
(d) Depreciation and amortisation expenses	29	2,119.07	1,723.26
(e) Other expenses	30	201.84	127.32
<b>4 Total expenses</b>		<b>4,881.84</b>	<b>3,822.16</b>
<b>5 Loss before tax (3-4)</b>		<b>(939.72)</b>	<b>(724.86)</b>
<b>Tax Credit</b>			
(a) Current tax	10	-	-
(b) Deferred tax Income	10	(242.35)	(183.25)
<b>6 Total Tax Credit</b>		<b>(242.35)</b>	<b>(183.25)</b>
<b>7 Loss for the year (5-6)</b>		<b>(697.37)</b>	<b>(541.61)</b>
<b>8 Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
- Re-measurement of the defined benefit plans		(1.37)	3.91
- Tax related to above item	10	0.36	(1.02)
Total other comprehensive (loss) /income for the year (net of tax)		(1.01)	2.89
<b>9 Total comprehensive loss for the year (7+8)</b>		<b>(698.38)</b>	<b>(538.72)</b>
<b>(Loss)/Earning per share (Face value of Rs. 10 each)</b>			
Basic and diluted	31	(7.31)	(5.64)

See accompanying notes forming part of the Ind AS Standalone Financial Statements (1-44)

As per our report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

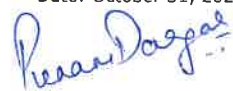
(Firm Registration Number: 117366 W/W-100018)

  
**Nilesh H. Lahoti**  
 Partner  
 Membership No: 130054  
 Place: New Delhi  
 Date: October 31, 2022

**For and on behalf of the Board of Directors of  
Smartworks Coworking Spaces Private Limited**

  
**Neetish Sarda**  
 Managing Director  
 DIN: 07262894  
 Place: Noida  
 Date: October 31, 2022

  
**Harsh Binani**  
 Wholetime Director  
 DIN: 07717396  
 Place: Noida  
 Date: October 31, 2022

  
**Punam Dargar**  
 Company Secretary  
 Place: Noida  
 Date: October 31, 2022





**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, except per share data)

**Standalone Cash Flow Statement for the year ended March 31, 2022**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities:</b>		
Net loss before tax	(939.72)	(724.86)
<b>Adjustments for:</b>		
- Depreciation and amortization expenses	2,119.07	1,723.26
- Revenue equalization reserve	(97.36)	(8.35)
- Provision for gratuity and compensated absences	9.39	0.96
- Provision for bad debts and advances	2.90	21.35
- Liabilities no longer required written back	(17.33)	(8.24)
- COVID-19 related rent concessions (negative variable lease payments)	44.42	175.51
- Interest income	(112.41)	(99.09)
- Gain on sale / fair valuation of investments (net)	-	(11.37)
- Finance Cost	1,223.55	965.08
- Customer loyalty expense	-	18.05
- Fair valuation for asset held for disposal	-	(0.35)
- Lease termination income	(2.85)	(0.14)
- Property, plant & equipments written off	23.34	9.36
- Loss from sale of assets	28.84	-
<b>Operating profit before working capital changes</b>	<b>2,281.84</b>	<b>2,061.17</b>
<b>Changes in working capital</b>		
- Trade receivables	(35.41)	(34.55)
- Trade payables	108.42	(125.43)
- Provisions	0.10	(0.59)
- Other financial and non-financial liabilities	910.70	(5.50)
- Other financial and non-financial assets	(1,077.01)	(408.68)
<b>Cash generated from operating activities before tax</b>	<b>2,188.64</b>	<b>1,486.42</b>
Income tax refund / (paid) (net)	(45.98)	43.25
<b>Net cash flow generated from / (used in) operating activities</b>	<b>(A) 2,142.66</b>	<b>1,529.67</b>
<b>Cash flow from investing activities</b>		
- Purchase of property plant and equipments, intangible assets and capital work-in-progress (net of disposal)	(1,417.71)	(666.07)
- Sale of assets	325.06	-
- Purchase of current investments	-	-
- Purchase of long term investments	-	(0.00)
- Proceeds from sale of current investments	-	1,152.64
- Investment in bank deposits not considered as cash and cash equivalents	119.14	(957.77)
- Loan given to subsidiary company	(3.89)	-
- Interest received	50.00	57.11
<b>Net cash used in investing activities</b>	<b>(B) (927.40)</b>	<b>(414.09)</b>
<b>Cash flow from financing activities</b>		
- Proceeds from long term borrowings	779.67	297.50
- Repayment of long term borrowings	(151.19)	(175.15)
- Proceeds from short term borrowings	557.20	-
- Repayment of short term borrowings	(105.24)	(20.00)
- Interest paid	(1,644.00)	(1,009.43)
- Other borrowing cost paid	(9.74)	(1.09)
- Repayment of lease liabilities	(565.48)	(703.37)
<b>Net cash flow from financing activities</b>	<b>(C) (1,138.78)</b>	<b>(1,611.54)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C) 76.48</b>	<b>(495.96)</b>
Cash and cash equivalents at the beginning of the year	(399.21)	96.75
<b>Cash and cash equivalents at the end of the year (refer note 14.3)</b>	<b>(322.73)</b>	<b>(399.21)</b>

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes forming part of the Ind AS Standalone Financial Statements (1-44)

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration Number: 117366 W/W-100018)

**Nilesh H. Lahoti**  
Partner  
Membership No: 130054  
Place: New Delhi  
Date: October 31, 2022

**For and on behalf of the Board of Directors of  
Smartworks Coworking Spaces Private Limited**

**Nilesh Sarda**  
Managing Director  
DIN: 07262894  
Place: Noida  
Date: October 31, 2022

**Punam Dargar**  
Company Secretary  
Place: Noida  
Date: October 31, 2022

**Harsh Binani**  
Wholetime Director  
DIN: 07717396  
Place: Noida  
Date: October 31, 2022



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Standalone Statement for Changes in the Equity for the year ended March 31, 2022**

**a. Equity share capital**

Particulars	Amount
<b>As of April 01, 2020</b>	<b>771.96</b>
Changes during the year	-
<b>As at March 31, 2021</b>	<b>771.96</b>
Changes during the year	-
<b>As at March 31, 2022</b>	<b>771.96</b>

**b. Other equity**

Particulars	Reserve and surplus			Total
	Instruments classified as equity (Refer note 18)	Security premium	Retained earnings	
<b>As of April 01, 2020</b>	<b>183.80</b>	<b>2,032.30</b>	<b>(608.32)</b>	<b>1,607.78</b>
Loss for the year	-	-	(541.61)	(541.61)
Re-measurement of defined benefit plan (net of tax)	-	-	2.89	2.89
<b>As at March 31, 2021</b>	<b>183.80</b>	<b>2,032.30</b>	<b>(1,147.04)</b>	<b>1,069.06</b>
Loss for the year	-	-	(697.37)	(697.37)
Re-measurement of defined benefit plan (net of tax)	-	-	(1.01)	(1.01)
<b>As at March 31, 2022</b>	<b>183.80</b>	<b>2,032.30</b>	<b>(1,845.42)</b>	<b>370.68</b>

See accompanying notes forming part of the Ind AS Standalone Financial Statements (1-44)

As per our report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm Registration Number: 117366-W/W-100018)

*Desh*

**Nilesh H. Lahoti**

Partner

Membership No: 130054

Place: New Delhi

Date: October 31, 2022



For and on behalf of the Board of Directors of  
Smartworks Coworking Spaces Private Limited

*Harsh Binani*

**Harsh Binani**

Wholetime Director

DIN: 07717396

Place: Noida

Date: October 31, 2022



*Punam Dargar*

**Punam Dargar**

Company Secretary

Place: Noida

Date: October 31, 2022

**Smartworks Coworking Spaces Private Limited**  
**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**1. CORPORATE INFORMATION**

The Company was incorporated as "Smart Work Business Centre Private Limited" (CIN : U74900DL2015PTC310656) ("the Company") in the state of West Bengal on December 17, 2015. Registered office of the Company was shifted to Unit No. 305-310, Plot No. 9, 10 & 11, Vardhman Trade Centre, Nehru Place, New Delhi with effect from December 30, 2016. Later, the name was changed to Smartworks Coworking Spaces Private Limited on December 20, 2018. The Company is engaged in conducting the business of developing and renting out co-working spaces in business centres.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1. Basis of preparation and presentation**

These Ind AS Standalone Financial Statements ("Financial Statements") have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.

The Financial Statements are approved for issue by the Company's Board of Directors on October 31, 2022.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division II of Schedule III (as amended) to the Act to the extent applicable. Further, for the purpose of clarity, various items are aggregated in the Standalone Balance Sheet ('Balance Sheet'), Standalone Statement of Profit and Loss ('Statement of Profit and Loss'), Standalone Statement of Changes in Equity ('Statement of Changes in Equity') and Standalone Statement of Cash Flows ('Statement of Cash Flows'). Nonetheless, these items are disaggregated separately in the notes to the Financial Statements, where applicable or required.

All the amounts included in the Financial Statements are reported in millions of Indian Rupee ('Rupee' or '₹') and are rounded off to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The preparation of the said Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said Financial Statements, except in case of adoption of any new standards and amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items.

The Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment.

**Fair value measurement**

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**2.2. New amendments adopted during the year**

**i) Amendments to Ind AS:**

MCA vide notification no. G.S.R. 419(E) dated June 18, 2021 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 which amends following Ind AS (as applicable to the Company):

- > Ind AS 116, Leases
- > Ind AS 105, Non-Current Assets Held for Sale and Discontinued Operation
- > Ind AS 107, Financial Instruments: Disclosures
- > Ind AS 109, Financial Instruments
- > Ind AS 27, Separate Financial Statements
- > Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- > Ind AS 38, Intangible Assets
- > Ind AS 115, Revenue from Contracts with Customers
- > Ind AS 1, Presentation of Financial Statements
- > Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- > Ind AS 12, Income Taxes
- > Ind AS 16, Property, Plant and Equipment

The amendments are applicable for annual periods beginning on or after April 1, 2021. However, these do not have material impact on the Financial Statements of the Company.

**ii) Amendment to Schedule III Division II:**

MCA vide notification dated March 24, 2021, has amended disclosure requirements to division II of schedule III of the Act. The amendments are applicable from April 1, 2021.



**Smartworks Coworking Spaces Private Limited**  
**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

iii) **New Indian Accounting Standard (Ind AS) issued but not yet effective:**

MCA vide notification no. G.S.R. 255(E) dated March 23, 2022 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends following Ind AS:

- > Ind AS 109, Financial Instruments
- > Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- > Ind AS 16, Property, Plant and Equipment

The amendments are applicable for annual periods beginning on or after the April 1, 2022. However, the Company has evaluated these amendments and impacts is not expected to be material.

**2.3. Functional and Presentation Currency**

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**2.4. Use of estimates and judgement**

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. (Refer Note 3)

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**2.5 Revenue recognition**

**2.5.1. Operating Revenue**

Service revenue includes rental revenue for use of co-working space and related ancillary services.

Revenue from leased out co-working space under an operating lease is recognized on a straight line basis over the non- cancellable period ('Lease Term for Revenue'), except where there is an uncertainty of ultimate collection. After Lease Term for Revenue or where there is no non-cancellable period, rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under agreement entered with customers. Initial direct costs, such as commissions, incurred by the Company in negotiating and arranging a lease are deferred and allocated to income over the Lease Term for Revenue, which has been presented as 'Prepayments' in Balance Sheet.

Revenue from contracts with customers for ancillary services (such as parking charges, internet fees, electricity charges etc.) is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the prices specified in the agreement with the customers. The Company presents service revenue net of indirect taxes in its Standalone Statement of Profit and Loss.

**2.5.2. Other income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognized in the Standalone Statement of Profit and Loss.

**2.6 Leases**

**2.6.1 Company as a lessee**

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates that commensurate with the lease term. Subsequently, lease liabilities are measured at amortized cost using the effective interest method and remeasured to reflect any reassessment of options or lease modifications, or to reflect changes in lease payments, with a corresponding adjustment to the ROU asset or Statement of Profit and Loss if the ROU asset has been reduced to zero.

Asset retirement obligation is determined at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular right-of-use asset on initial recognition.

**2.6.2 Company as a lessor**

Refer Note 2.5.1



## **2.7 Foreign currency transactions and balances**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

## **2.8 Employee benefits**

Company's employee benefit mainly includes wages, salaries, bonuses, defined contribution absences and defined benefit plans. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

### **2.8.1 Short-term benefits**

Liabilities for salaries, including non-monetary benefits (such as compensated absences) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **2.8.2 Long term benefits**

#### **Compensated absences**

Compensated absences in form of earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

### **2.8.3 Post-employment obligations**

#### **Defined benefit plans**

The Company has defined benefit plan namely gratuity. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the standalone statement of changes in equity and in the standalone balance sheet.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### **Defined contribution plans**

The Company has defined contribution plans for post-employment benefit namely the provident fund and employee state insurance scheme. The Company's contribution thereto is charged to the statement of profit and loss every year. The Company has no further obligations under these plans beyond its periodic contributions.

## **2.9 Taxation**

Income tax expense represents the sum of the current tax and deferred tax.

### **2.9.1 Current tax**

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the respective period.

### **2.9.2 Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



**2.9.3 Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**2.10 Property, plant and equipment ('PPE')**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises of the purchase price including freight and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Cost incurred for expected fit-out period is capitalised as part of leasehold improvement, as this cost is attributable to bring the asset in necessary condition for its intended use. (Refer note 3)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**2.10.1 Depreciation method, estimated useful lives and residual value**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Residual value is estimated to be five percent of total cost of asset except for leasehold improvement and electrical equipment classes of assets where it is estimated to be nil.

Depreciation has been provided in accordance with useful lives assessed lower than the life prescribed in Schedule II to the Companies Act, 2013, taking into account the nature of the asset, the estimated usage of the asset, the management's estimates of the useful lives of the various categories of assets are as follows:

<u>Categories</u>	<u>Useful life</u>
Electrical installations and equipment	10
Plant and equipment	15
Furniture and fixtures	3-10
Vehicles	8-10
Computer and data processing unit	3-6
Office equipment	5

Leasehold improvement is depreciated over the duration of lease term for rental expense or useful life of 10 years whichever is lower. The assets' residual values and useful lives are reviewed and adjusted, if applicable, at the end of each reporting period.

**2.10.2 Derecognition**

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

**2.10.3 Capital Work in Progress**

Capital work in progress is stated at cost less impairment losses. Such expenditure includes the cost of materials and goods purchased or acquired with the intention of creating any capital asset and the project site and cost incurred for expected fit-out period which is attributed to the PPE.

**2.11 Intangible assets**

**2.11.1 Initial measurement**

Software (both purchased and internally generated) which is not an integral part of related hardware, is treated as intangible asset and stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.



#### **2.11.2 Internally-generated intangible assets**

Expenditure on research activities for internally generated intangible assets is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure on direct salary incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

#### **2.11.3 Subsequent measurement**

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss.

#### **2.11.4 Derecognition policy**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

#### **2.11.5 Amortisation method and periods**

Intangible assets i.e. software are amortised on a straight line basis over its estimated useful life i.e. 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### **2.12 Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **2.13 Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted using incremental borrowing rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Standalone Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



#### **2.14 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **2.15 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### **2.15.1 Classification of financial assets**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Investments in debt mutual funds are measured at fair value through profit or loss as per the business model and contractual cash flow test.

##### **2.15.2 Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For other financial assets carried at amortised cost the Company assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

##### **2.15.3 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

##### **2.15.4 Derecognition of financial assets**

The Company derecognises financial assets in accordance with the principles of Ind AS 109 which usually coincides receipt of payment or write off of the financial asset.

#### **2.16 Financial liabilities and equity instruments**

##### **2.16.1 Classification of debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **2.16.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

##### **2.16.3 Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

##### **2.16.4 Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss account.

##### **2.16.5 Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.





**Smartworks Coworking Spaces Private Limited**  
**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**2.17 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) attributable to the shareholders of the company by the weighted average number of equity shares outstanding during the year.

Equity shares which are issuable upon the satisfaction of certain conditions resulting from contractual arrangements / shareholder agreement are considered outstanding and included in the computation of basic earnings per share from the date when all necessary conditions under the contract have been satisfied as on balance sheet date.

Diluted EPS is computed by adjusting, the profit/ (loss) for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

**2.18 Investments**

Long-term investments (investment in subsidiaries) are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Standalone Statement of Profit and Loss. When disposing of a part of the holding of an individual investment, the carrying amount to be allocated to that part is to be determined on the basis of the average carrying amount of the total investment.

**2.19 Code on Social Security**

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

**3 KEY SOURCES OF ESTIMATION UNCERTAINTIES AND CRITICAL JUDGEMENTS**

In applying the Company's accounting policies, which are described in note 2 above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3.1 Critical judgements in applying the Company's accounting policies**

**3.1.1 Lease Term**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying building and the availability of suitable alternatives. The Company has ascertained lease term as non cancellable term along with one term of extension out of multiple terms of extension option available with the Company and where the Company has unilateral right to extend the lease ('Lease Term for Right of Use'), if applicable.

**3.1.2 Capitalisation of fit out period**

Cost (depreciation on Right of Use asset, interest expense of lease liability, electricity charges, building maintenance charges, housekeeping & security charges, project and design related employee cost) for the expected fit-out period is capitalised as part of leasehold improvement, considering, this cost is attributable to bring the asset in necessary condition for its intended use. The fit out period has been determined by the management basis the historical experience and the size and complexities involved for development of property to make them available for intended use.

**3.1.3 Incremental borrowing rate**

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

**3.2 Key sources of estimation uncertainty**

**3.2.1 Taxes**

Deferred tax assets are recognised for the unused tax losses for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments. (Refer Note 10)

**3.2.2 Useful life of property, plant and equipment**

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimate relate to technical and economic obsolescence that may change the utility of assets.



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**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**4. Property, plant and equipment**

Particulars	Leasehold improvement	Electrical installations/equipment	Plant and equipment	Furniture and fixtures	Vehicles *	Computers and data processing units	Office equipment	Total
<b>Gross value / deemed Cost</b>								
<b>As at April 01, 2020</b>	<b>1,047.44</b>	<b>313.33</b>	<b>327.92</b>	<b>1,172.00</b>	<b>4.75</b>	<b>163.48</b>	<b>54.28</b>	<b>3,083.20</b>
Additions	380.78	94.30	98.86	316.44	-	30.27	18.86	939.51
Disposals/adjustments	(0.82)	(5.26)	(0.27)	(11.76)	-	(2.28)	(0.43)	(20.82)
Reclassified as held for sale	(0.84)	(1.25)	(1.45)	(13.85)	-	(1.05)	(1.06)	(19.50)
<b>As at March 31, 2021</b>	<b>1,426.56</b>	<b>401.12</b>	<b>425.06</b>	<b>1,462.83</b>	<b>4.75</b>	<b>190.42</b>	<b>71.65</b>	<b>3,982.39</b>
Additions	691.51	148.47	213.55	581.90	2.34	74.29	11.19	1,723.25
Disposals/adjustments	(33.98)	(14.49)	(1.30)	(51.71)	-	(5.59)	(3.32)	(110.39)
Reclassified as held for sale	-	-	-	-	-	-	-	-
Sale and leaseback	(30.05)	(7.07)	(52.80)	(224.89)	-	(17.08)	(2.06)	(333.95)
<b>As at March 31, 2022</b>	<b>2,054.04</b>	<b>528.03</b>	<b>584.51</b>	<b>1,768.13</b>	<b>7.09</b>	<b>242.04</b>	<b>77.46</b>	<b>5,261.30</b>
<b>Accumulated Depreciation</b>								
<b>As at April 01, 2020</b>	<b>170.92</b>	<b>37.89</b>	<b>25.13</b>	<b>137.69</b>	<b>0.57</b>	<b>47.69</b>	<b>13.38</b>	<b>433.27</b>
Depreciation	208.71	36.98	22.84	142.22	0.56	28.67	12.77	452.75
Disposals/adjustments	(0.44)	(1.66)	(0.07)	(6.96)	-	(1.66)	(0.64)	(11.43)
On assets reclassified as held for sale	(0.17)	(0.33)	(0.25)	(5.22)	-	(0.66)	(0.65)	(7.28)
<b>As at March 31, 2021</b>	<b>379.02</b>	<b>72.88</b>	<b>47.65</b>	<b>267.73</b>	<b>1.13</b>	<b>74.04</b>	<b>24.86</b>	<b>867.31</b>
Depreciation	230.54	46.85	31.38	155.19	0.66	31.97	13.95	510.54
Disposals/adjustments	(24.47)	(4.84)	(0.16)	(19.28)	-	(3.85)	(2.37)	(54.97)
On assets reclassified as held for sale	-	-	-	-	-	-	-	-
Sale and leaseback	(7.23)	(0.71)	(3.58)	(15.10)	-	(1.18)	(0.35)	(28.15)
<b>As at March 31, 2022</b>	<b>577.86</b>	<b>114.18</b>	<b>75.29</b>	<b>388.54</b>	<b>1.79</b>	<b>100.98</b>	<b>36.09</b>	<b>1,294.73</b>
<b>Net carrying value</b>								
<b>As at March 31, 2021</b>	<b>1,047.54</b>	<b>328.24</b>	<b>377.41</b>	<b>1,195.10</b>	<b>3.62</b>	<b>116.38</b>	<b>46.79</b>	<b>3,115.08</b>
<b>As at March 31, 2022</b>	<b>1,476.18</b>	<b>413.85</b>	<b>509.22</b>	<b>1,379.59</b>	<b>5.30</b>	<b>141.06</b>	<b>41.37</b>	<b>3,966.57</b>

**Notes:**

4.1. \* Refer note 19 for hypothecation / lien.

4.2. Refer note 32 of contractual commitment for acquisition of property, plant and equipment.

4.3. Property, plant and equipment are provided for coworking spaces to customers on lease except for vehicles and certain office equipment.



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**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**5. Right-of-use assets**

Particulars	Building	Equipment	Total
<b>As at April 01, 2020</b>	<b>7,961.66</b>	<b>49.52</b>	<b>8,011.18</b>
Additions during the period	1,964.98	0.45	1,965.43
Disposal during the year	(1.31)	-	(1.31)
Depreciation - capitalisation of fit out period	(90.55)	-	(90.55)
Depreciation for the year	(1,251.14)	(17.71)	(1,268.85)
<b>As at March 31, 2021</b>	<b>8,583.64</b>	<b>32.26</b>	<b>8,615.90</b>
Additions during the period	12,700.14	86.31	12,786.45
Disposal during the year	-	-	-
Depreciation - capitalisation of fit out period	(488.99)	-	(488.99)
Depreciation for the year	(1,578.95)	(26.93)	(1,605.88)
<b>As at March 31, 2022</b>	<b>19,215.84</b>	<b>91.64</b>	<b>19,307.48</b>

5.1. Buildings include property taken from landlords for developing co-working spaces along with guest houses.

5.2. Equipment majorly comprises of UPS and electronic/electrical equipment taken on lease.

5.3. The Company has applied the practical expedient provided under para 46A of Ind AS 116 (as amended) to one-time concession on lease payment provided by Landlords in relation to the lease of building. By electing this practical expedient, the Company has accounted for the change in lease payment resulting from the rent concession, in the same way, it would account for the change applying Ind AS 116, if the change were not a lease modification. Accordingly, Rs. 44.42 (March 31, 2021- Rs. 175.51) has been recognised as a negative variable lease payment under Other Income in the statement of profit or loss for the year ended March 31, 2022 & March 31, 2021 respectively.

**5.4. Amounts recognised in profit or loss**

	For year ended March 31, 2022	For year ended March 31, 2021
Expenses relating to short-term leases	13.82	2.55
Expenses relating to leases of low-value assets, excluding Short-term leases of low-value assets	27.19	16.35
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	0.73

**5.5. Total cash flow for leases**

	For year ended March 31, 2022	For year ended March 31, 2021
Total cash outflow for leases (including interest)	2,186.70	1,665.25

**5.6. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date**

**Maturity analysis:**

	As at March 31, 2022	As at March 31, 2021
Not later than one year	3,442.58	2,061.76
Later than one year but not later than five years	15,557.88	7,836.67
Later than five years	13,361.97	4,827.52
<b>Total</b>	<b>32,362.43</b>	<b>14,725.95</b>

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Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022

6. Capital work-in-progress

Capital work-in-progress ageing schedule

As at March 31, 2022

Particulars	Amount of Capital work-in-progress for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	868.59	-	-	868.59

As at March 31, 2021

Particulars	Amount of Capital work-in-progress for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	129.69	-	-	129.69

Notes:

6.1. For capital-work-in-progress, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan as of March 31, 2022 and March 31, 2021.

7. Intangible assets

Particulars	Software
Gross value / deemed Cost	
As at April 01, 2020	2.75
Additions	5.94
Disposals	-
As at March 31, 2021	8.69
Additions	2.64
Disposals	(0.03)
As at March 31, 2022	11.30

Accumulated amortisation

As at April 01, 2020	1.04
Depreciation	1.66
Disposals	-
As at March 31, 2021	2.70
Depreciation	2.65
Disposals	(0.03)
As at March 31, 2022	5.32

Net carrying value

As at March 31, 2021	5.99
As at March 31, 2022	5.98

Note:

7.1: Software includes accounting, business and administrative software.



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Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022

**8. Investments**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non - Current</b>		
<b>Investment in subsidiaries</b>		
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited),: (unquoted) 10,000 (March 31, 2021 - 10,000) equity shares of Rs 10 each	0.10	0.10
Smartworks Office Services Private Limited: (unquoted) 10,000 (March 31, 2021 - 10,000) equity shares of Rs 10 each	0.10	0.10
	<b>0.20</b>	<b>0.20</b>

Detail of investments in subsidiaries are as below

Name of the Subsidiaries	% shareholding	
	As at March 31, 2022	As at March 31, 2021
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited)	100.00%	100.00%
Smartworks Office Services Private Limited	100.00%	100.00%

Name of the Subsidiaries	Principal place of business	Principal activity
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited)	India	Software Development
Smartworks Office Services Private Limited	India	Facility management services

**9. Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Security deposits	1,034.50	624.05
Balance deposits with more than 12 months maturity (Refer note 9.1)	235.70	222.00
<b>Total</b>	<b>1,270.20</b>	<b>846.05</b>
<b>Current</b>		
Security deposits	50.99	29.54
Interest accrued on bank deposits	42.52	46.22
Unbilled revenue	16.65	3.79
Stamp duty recoverable net of allowance Rs. 0.26 (March 31, 2021 -Rs. 0.26)	2.34	2.34
	112.50	81.89
GST recoverable from customer	19.97	18.99
Allowance for recoverable	(19.97)	(18.99)
<b>Total</b>	<b>112.50</b>	<b>81.89</b>

**Note:**

9.1 It includes deposits against lien/bank guarantee of Rs.235.70 (March 31, 2021 - 222.00).



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Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022

**10. Income Taxes**

The major components of income tax expense / (credit) are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax		
- For the year	-	-
- For previous periods	-	-
Deferred tax		
- Origination and reversal of temporary difference	(242.35)	(183.25)
<b>Income tax expense / (credit)</b>	<b>(242.35)</b>	<b>(183.25)</b>

The reconciliation between the amount computed by applying the statutory income rates to the profit before tax and income tax expense is summarised below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss before tax	(939.72)	(724.86)
Enacted tax rates in India	26.00%	26.00%
<b>Tax expense / (credit)</b>	<b>(244.32)</b>	<b>(188.46)</b>
<b>Effect of:</b>		
Adjustment in respect to previous years	(2.98)	3.84
Income / expense not taxable / deductible	4.46	1.37
<b>Income tax expense / (credit)</b>	<b>(242.84)</b>	<b>(183.25)</b>

The analysis of deferred tax assets / liabilities is as follows:

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Closing balance
<b>As at March 31, 2022</b>					
<b>Deferred tax asset</b>					
Allowance for impairment of financial assets	5.84	(0.13)	-	-	5.71
Carry forward tax losses	127.82	109.11	-	-	236.93
Provision for employee benefits	2.31	2.44	0.36	-	5.11
Financial instruments measured at amortised cost	9.32	(15.47)	-	-	(6.15)
Provisions for asset retirement obligations	1.86	0.93	-	-	2.79
Provisions for contingencies	0.94	0.07	-	-	1.01
Right of use and lease liability	298.18	146.67	-	-	444.85
	446.27	243.62	0.36	-	690.25
<b>Deferred tax liability</b>					
Depreciation / amortisation on PPE / intangible assets	23.52	(24.05)	-	-	(0.53)
Revenue equalisation reserve	21.27	25.32	-	-	46.59
	44.79	1.27	-	-	46.06
<b>Net Deferred tax asset</b>	<b>401.48</b>	<b>242.35</b>	<b>0.36</b>	<b>-</b>	<b>644.19</b>
<b>As at March 31, 2021</b>					
<b>Deferred tax asset</b>					
Allowance for impairment of financial assets	0.29	5.55	-	-	5.84
Carry forward tax losses	114.71	13.11	-	-	127.82
Provision for employee benefits	4.46	(1.13)	(1.02)	-	2.31
Financial instruments measured at amortised cost	5.78	3.54	-	-	9.32
Provisions for asset retirement obligations	1.25	0.61	-	-	1.86
Provisions for contingencies	1.69	(0.75)	-	-	0.94
Right of use and lease liability	146.26	151.92	-	-	298.18
	274.44	172.85	(1.02)	-	446.27
<b>Deferred tax liability</b>					
Depreciation / amortisation on PPE / intangible assets	30.97	(7.45)	-	-	23.52
Revenue equalisation reserve	19.10	2.17	-	-	21.27
Fair valuation of financial instruments	5.12	(5.12)	-	-	-
	55.19	(10.40)	-	-	44.79
<b>Net Deferred tax asset</b>	<b>219.25</b>	<b>183.25</b>	<b>(1.02)</b>	<b>-</b>	<b>401.48</b>

As at March 31, 2022, the Company is having carry forward tax losses. The Company has considered committed revenues and letter of intents from customers upto the date of signing of financial statements and maintaining/increasing an overall occupancy for future periods based on historical trends in making its projected future taxable profits for the purpose of evaluating recognition of deferred tax.



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**11. Income tax assets**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Advance income tax (net of current tax provision Nil (March 31, 2021: Nil )	179.50	133.53
<b>Total</b>	<b>179.50</b>	<b>133.53</b>

**12. Other assets**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Prepayments (refer note 12.2 below)	163.18	49.14
Revenue equalisation reserve (refer note 12.1 below)	124.46	57.92
Balance with government authorities	-	9.19
Capital advances net of allowance Rs. 3.10 (March 31, 2021 - Rs. 2.18)	92.43	44.66
<b>Total</b>	<b>380.07</b>	<b>160.91</b>
<b>Current</b>		
Balance with government authorities	351.64	198.04
Prepayments (refer note 12.2 below)	189.07	92.74
Receivable from landlord	130.22	-
Revenue equalisation reserve (refer note 12.1 below)	54.71	23.89
Advance to suppliers net of allowance Nil (March 31, 2021 - Rs. 0.72 )	6.85	26.75
Other receivables	0.25	0.56
<b>Total</b>	<b>732.74</b>	<b>341.98</b>

**Notes:**

**12.1. Operating lease arrangements (as a lessor)**

Operating leases, in which the Company is the lessor, relate to co-working space given by the company on lease with lease term (i.e. non cancellable period) between 0-5 years, with a mutual extension option.

The Company enters into arrangements with customers for providing co-working spaces wherein the right to use the assets is given. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement on a straight line basis.

**Maturity analysis of operating lease receipts:**

The following table sets out a maturity analysis of lease receipts, showing the undiscounted lease receipts to be received after the reporting date.

Particulars	As at March 31, 2022	As at March 31, 2021
-Year 1	3,288.99	1,824.43
-Year 2	2,280.37	733.26
-Year 3	1,285.41	328.88
-Year 4	421.51	91.49
-Year 5	187.60	18.25
-Year 6 onwards	15.53	0.11

**12.2.** Prepayment includes the initial direct cost for obtaining lessor for operating lease. The movement of such initial direct cost is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	117.82	106.52
Additions	337.96	105.53
Amortisation	(138.08)	(94.23)
<b>Closing balance</b>	<b>317.70</b>	<b>117.82</b>



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**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**13. Trade receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Secured	83.67	64.37
Unsecured, considered good	21.35	6.24
Unsecured, considered doubtful	4.45	3.47
	109.47	74.08
Less: Allowance for doubtful debts	(4.45)	(3.47)
<b>Total</b>	<b>105.02</b>	<b>70.61</b>

**Notes:**

13.1 The average credit period is 7 days.

13.2 The customers pays security deposits which can be used for any non-payments during the contract period. Trade receivables are secured with the corresponding deposits received from customers.

**The movement of allowances of doubtful debts is as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	3.47	1.11
Additions	0.98	2.36
Write off (net of recovery)	-	-
<b>Closing balance</b>	<b>4.45</b>	<b>3.47</b>

**Trade receivables ageing**

**As at March 31, 2022**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	5.77	35.25	20.23	1.63	0.05	0.27	63.20
(ii) Undisputed Trade receivables - which have significant increase in credit risk	0.00	0.19	0.13	0.69	1.16	0.31	2.48
(iii) Disputed Trade Receivables - considered good	-	0.18	23.50	18.14	-	-	41.82
(iv) Disputed Trade Receivables - which have significant increase in credit risk	0.48	-	0.18	0.91	0.04	0.36	1.97
Less: Allowances for doubtful receivables							(4.45)
<b>Total Trade receivables</b>							<b>105.02</b>

**As at March 31, 2021**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1.80	34.32	2.01	0.48	-	0.05	38.66
(ii) Undisputed Trade receivables - which have significant increase in credit risk	0.03	0.32	1.42	1.01	0.68	0.00	3.46
(iii) Disputed Trade Receivables - considered good	31.40	-	0.22	-	0.33	-	31.95
(iv) Disputed Trade Receivables - which have significant increase in credit risk	0.01	-	-	-	-	-	0.01
Less: Allowances for doubtful receivables							(3.47)
<b>Total Trade receivables</b>							<b>70.61</b>





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**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**14. Cash and cash equivalents**

For the purpose of standalone statement of cashflows, cash and cash equivalents includes cash on hand and balance with banks in current accounts and deposits.

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks:		
- in current accounts	206.44	83.24
- in escrow account (refer note 14.1)	16.14	10.07
Cash in hand (refer note 14.2)	0.08	0.07
<b>Total</b>	<b>222.66</b>	<b>93.38</b>

**Notes:**

**14.1. Restricted cash in escrow account**

The balances primarily include restricted bank balances, received from specified customers, for repayments of monthly instalments of specified bank loans.

**14.2. Cash balance in foreign currency**

Cash in hand includes balances in foreign currency of SGD Nil (Rs. Nil), SGD 458.45 (Rs. 0.03), as at March 31, 2022 and March 31, 2021 respectively.

**14.3. For the purpose of standalone statement cash flows, Cash and cash equivalence comprise of following:**

Particulars	As at March 31, 2022	As at March 31, 2021
C&CE as per balance sheet	222.66	93.38
Bank overdraft	(545.39)	(492.59)
<b>Total</b>	<b>(322.73)</b>	<b>(399.21)</b>

**15. Other bank balances**

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits with original maturity more than 3 months (refer note 15.1)	796.33	928.66
Wallet balances	0.44	0.95
<b>Total</b>	<b>796.77</b>	<b>929.61</b>

**Note:**

15.1 It includes deposits against lien of Rs. 796.33 (March 31, 2021 - Rs. 693.11).

**16. Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Loans to related parties (refer note 35)	3.89	-
<b>Total</b>	<b>3.89</b>	<b>-</b>

Particulars	Disbursement date	Repayment/ Maturity date	Interest per annum	As at March 31, 2022	As at March 31, 2021
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited)	October 1, 2021	September 30, 2022	9.00%	3.89	-



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, except no. of shares)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**17. Share capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares ('000')	Amount (₹)	Number of shares ('000')	Amount (₹)
<b>Authorised Share capital</b>				
Equity shares of Rs. 10 each with voting rights	1,00,000	1,000.00	1,00,000	1,000.00
Cumulative convertible preference shares of Rs. 10 each with voting rights	20,000	200.00	20,000	200.00
<b>Total</b>	<b>1,20,000</b>	<b>1,200.00</b>	<b>1,20,000</b>	<b>1,200.00</b>
<b>Issued, subscribed and fully paid-up Equity share capital</b>				
Equity shares of ₹ 10 each with voting rights	77,196	771.96	77,196	771.96
<b>Total</b>	<b>77,196</b>	<b>771.96</b>	<b>77,196</b>	<b>771.96</b>

**Notes:**

**17.1. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares ('000')	Amount (₹)	Number of shares ('000')	Amount (₹)
<b>Equity shares with voting rights</b>				
At the beginning of the year	77,196	771.96	77,196	771.96
Changes in equity share capital during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>77,196</b>	<b>771.96</b>	<b>77,196</b>	<b>771.96</b>

**17.2. Details of equity shares held by each shareholder holding more than 5% shares:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares ('000')	% holding	Number of shares ('000')	% holding
<b>Equity shares with voting rights</b>				
NS Niketan LLP, India	43,300	56.091%	43,300	56.091%
SNS Infrarealty LLP, India	27,581	35.729%	27,581	35.729%
Mansoul Commercial Pvt Ltd, India	4,169	5.400%	4,169	5.400%

**17.3. Rights attached to Equity shares:**

The Company issued one class of equity shares having a face value of Rs. 10 each.

**17.4. Shareholding of Promoters**

**Shares held by Promoters as at March 31, 2022:**

Sl. No	Particulars	Number of shares ('000')	% holding	% change during the year
1	NS Niketan LLP, India	43,300	56.091%	0.000%
2	SNS Infrarealty LLP, India	27,581	35.729%	0.000%
3	Vision Comptech Integrators Limited, India	1	0.001%	0.000%
4	Neeta Sarda, India	2	0.003%	0.000%
5	Neetish Sarda, India	3	0.004%	0.000%
6	Saumya Binani, India	3	0.004%	0.000%

**Shares held by Promoters as at March 31, 2021:**

Sl. No	Particulars	Number of shares ('000')	% holding	% change during the year
1	NS Niketan LLP, India	43,300	56.091%	0.000%
2	SNS Infrarealty LLP, India	27,581	35.729%	0.000%
3	Vision Comptech Integrators Limited, India	1	0.001%	0.000%
4	Neeta Sarda, India	2	0.003%	0.000%
5	Neetish Sarda, India	3	0.004%	0.000%
6	Saumya Binani, India	3	0.004%	0.000%

**17.4.1. Based on Annual return filed with Ministry of Corporate Affairs.**



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, except no. of shares)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****18. Other Equity**

Particulars	As at March 31, 2022	As at March 31, 2021
Security premium	2,032.30	2,032.30
Instruments classified as equity	183.80	183.80
Retained earning	(1,845.42)	(1,147.04)
	<b>370.68</b>	<b>1,069.06</b>

**18.1. Security Premium**

Security premium is used to record the premium on issue of shares. The reserves are utilised in accordance with provisions of The Companies Act.

**18.2. Instruments classified as equity**

The Company has issued 18,379,915 cumulative convertible preference share having a face value of Rs. 10 each on October 23, 2019 with reference to the investment agreement with Lisbrine PTE. LTD. dated October 4, 2019. Preference shareholder is entitled to receive dividend subject to recommendation of Board of Directors and carry one vote per share in terms of the agreement.

The shareholder shall be entitled to receive a cumulative fixed preferential dividend per annum for each cumulative convertible preference shares held based on the following coupon rate:

- 0.01% of the Initial Subscription Price per share on the first anniversary;
- 0.50% of the Initial Subscription Price per share on the second anniversary;
- 1.00% of the Initial Subscription Price per share on the third anniversary;
- 2.00% of the Initial Subscription Price per share on the fourth anniversary;
- 4.00% of the Initial Subscription Price per share on fifth anniversary and every anniversary thereafter until conversion of the cumulative convertible preference shares to ordinary shares in the Company.

At any time up to 20 years from the date of this agreement, the preference shareholder shall have the right, at its option and sole and absolute discretion, to convert all or part of its cumulative convertible preference shares then outstanding into ordinary shares.

All the cumulative convertible preference shares then outstanding shall be converted into ordinary shares at a minimum ratio of 1 cumulative convertible preference share to 1 ordinary share conversion rate immediately:

- prior to the consummation of a Qualified Event or
- in the event there is a binding offer for a purchase of all of the Shares of the Company and such offer meets the Yield Threshold.

Each cumulative convertible preference share, subject to conversion, shall be converted into such number of fully paid ordinary shares as is determined by dividing the initial subscription price per share (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations) by the then applicable conversion price per cumulative convertible preference share and no additional consideration shall be payable upon such conversion.

As these cumulative convertible preference shares are perpetual in nature and ranked senior only to the equity share capital of the Company and the Company does not have any redemption obligation i.e. these instruments have to be converted into equity share of the Company, thus these shares are considered as equity instruments.

**18.3. Retained Earnings**

Retained earnings reflect surplus / deficit after taxes in the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

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**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**19. Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
<b>Secured – at amortised cost</b>		
<b>From Bank</b>		
- Auto Loan	4.00	2.75
- Term Loan	1,416.18	788.95
Less: current maturities of long term borrowings	(273.08)	(132.15)
	<b>1,147.10</b>	<b>659.55</b>
<b>Current</b>		
<b>Secured – at amortised cost</b>		
- Bank overdraft	545.39	492.59
- From NBFCs	365.76	-
<b>Unsecured – at amortised cost</b>		
- Loan from related parties (refer note 35)	144.70	15.00
- Loan from others parties	-	43.50
<b>Current maturities of long-term borrowings</b>		
<b>Secured</b>		
- Auto Loan	1.06	0.84
- Term Loan	272.02	131.31
	<b>1,328.93</b>	<b>683.24</b>

19.1. Other principal features of the Company's borrowings are as follows.

**Term Loan:**

Particulars	Terms and Conditions	Interest rate (Per annum)	As at March 31, 2022	As at March 31, 2021
<b>HDFC Bank Limited</b>	- Repayable in 65 equal monthly instalments			
	- Maturity in June, 2025	(MCLR + 0.7%) 9.00%		
	- Secured with lien over rentals of the property upto 41 Million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of major share holders.	8.15% effective Dec'2020 8.05% effective Oct'2021 7.90% effective Dec 2021	151.41	191.00
<b>HDFC Bank Limited</b>	- Repayable in 82 equal monthly instalments			
	- Maturity in December, 2026	(MCLR + 0.7%) 8.85%		
	- Secured with lien over rentals of the property upto 41 Million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of major share holders.	8.00% effective Dec'2020 7.90% effective Oct' 2021	264.00	308.39
<b>HDFC Bank Limited</b>	- Repayable in 60 equal monthly instalments			
	- Maturity in December, 2026	(MCLR + 0.7%) 7.90%		
	- Secured with lien over rentals of the property upto 41 Million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of major share holders.	7.90%	287.64	-



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

	- Repayable in 75 equal monthly instalments - Maturity in April, 2027			
<b>ICICI Bank Limited</b>	- Secured with lien over rentals of upto 2.25 times of yearly repayment of receivables and personal guarantee of directors and lien over fixed deposit of the company 55% of total sanctioned amount.	MCLR rate +.10% (currently 7.4%)	241.97	289.56
	- Repayable in 67 equal monthly instalments - Maturity in June, 2027			
<b>ICICI Bank Limited</b>	- Secured with lien over rentals of upto 2.25 times of yearly repayment of receivables and personal guarantee of directors and lien over fixed deposit of the company 55% of total sanctioned amount.	MCLR rate +.15% (currently 7.4%)	39.65	-
	- Repayable in 67 equal monthly instalments - Maturity in July, 2027			
<b>ICICI Bank Limited</b>	- Secured with lien over rentals of upto 2.25 times of yearly repayment of receivables and personal guarantee of directors and lien over fixed deposit of the company 55% of total sanctioned amount.	MCLR rate +.15% (currently 7.4%)	81.51	-
	- Repayable in 60 monthly instalments - Maturity in March, 2027			
<b>Axis Bank</b>	- Secured with lien over rentals, mortgage over property of third party and corporate guarantee of third party.	MCLR rate +0.45% (currently 7.8%)	350.00	-
	<b>Total</b>	<b>(A)</b>	<b>1,416.18</b>	<b>788.95</b>
<b>Auto Loan:</b>				
<b>Particulars</b>	<b>Terms and Condition</b>	<b>Interest rate (Per annum)</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	- Repayable in 60 equal monthly instalments - Maturity in July, 2022			
<b>HDFC Bank Limited</b>	- Secured by hypothecation of vehicle of the Company.	9.00%	0.09	0.33
	- Repayable in 60 equal monthly instalments - Maturity in July, 2024			
<b>ICICI Bank Limited</b>	- Secured by hypothecation of vehicle of the Company.	10.00%	0.84	1.15
	- Repayable in 60 equal monthly instalments - Maturity in December, 2024			
<b>ICICI Bank Limited</b>	- Secured by hypothecation of vehicle of the Company.	9.35%	0.97	1.27
	- Repayable in 84 equal monthly instalments - Maturity- September, 2028			
<b>ICICI Bank Limited</b>	- Secured by hypothecation of vehicle of the Company.	7.70%	1.09	-
	- Repayable in 60 equal monthly instalments - Maturity- February, 2027			
<b>ICICI Bank Limited</b>	- Secured by hypothecation of vehicle of the Company.	7.40%	1.01	-
	<b>Total</b>	<b>(B)</b>	<b>4.00</b>	<b>2.75</b>



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****Short term Loan from NBFC:**

Particulars	Terms and Condition	Interest rate (Per annum)	As at March 31, 2022	As at March 31, 2021
<b>Equentia Financial Service Pvt Ltd (L/A)-01</b>	- Repayable in 12 equal monthly instalments - Maturity in December, 2022  - Secured by lien over rentals & personal guarantee from directors.	10.00%	165.76	-
<b>Equentia Financial Service Pvt Ltd (L/A)-02</b>	- Repayable in 12 equal monthly instalments - Maturity in March, 2023  - Secured by lien over rentals and personal guarantee from directors.	10.00%	200.00	-
<b>Total</b>		<b>(C)</b>	<b>365.76</b>	<b>-</b>

**Bank overdraft:**

Particulars	Terms and Condition	Interest rate (Per annum)	As at March 31, 2022	As at March 31, 2021
<b>HDFC Bank Limited</b>	- Repayable in 12 months  - Secured by lien over liquid deposits with bank upto 100% FD	FD+ 0.25% p.a	11.26	-
<b>HDFC Bank Limited</b>	- Repayable in 12 months  - Secured by lien over liquid deposits with bank upto 100% FD	FD+ 0.25% p.a (FD+0.50% p.a upto 2021)	534.13	492.59
<b>Total</b>		<b>(D)</b>	<b>545.39</b>	<b>492.59</b>
		<b>(A+B+C+D)</b>	<b>2,331.33</b>	<b>1,284.29</b>

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**Smartworks Coworking Spaces Private Limited**  
(All amounts are in millions of Indian Rupees, unless stated otherwise)

Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022

**19.2 Detail of unsecured borrowings**

Particulars	Disbursement date	Repayment/ Maturity date	Interest rate (Per annum)	As at March 31, 2022		As at March 31, 2021	
				Principal	Interest accrued	Principal	Interest accrued
<b>19.2.1 Related parties:</b>							
Vision Comptech Integrators Limited	October 28, 2021	October 27, 2022	9%	129.70	-	-	-
SML Smart Technologies Private Limited	May 7, 2018 May 7, 2019 May 7, 2020 May 7, 2021	May 6, 2019 May 6, 2020 May 6, 2021 May 6, 2022	9%	15.00	-	15.00	-
			(A)	<b>144.70</b>	-	<b>15.00</b>	-
<b>19.2.2 Others:</b>							
Amanat Tradecomm Private Limited	January 14, 2019 January 14, 2020 January 14, 2021 January 14, 2022	January 13, 2020 January 13, 2021 January 13, 2022 March 31, 2022	12%	-	-	10.00	-
Blackcherry Commosale Private Limited	January 1, 2019 January 1, 2020 January 1, 2021 January 1, 2022	December 31, 2019 December 31, 2020 December 31, 2021 March 31, 2022	15%	-	-	5.00	-
Indian Chain Private Limited	June 15, 2019 June 15, 2020 June 15, 2021	June 14, 2020 June 14, 2021 March 31, 2022	12%	-	-	10.00	-
Mangroove Agencies Private Limited	March 18, 2019 March 18, 2020 March 18, 2021 March 18, 2022	March 17, 2020 March 17, 2021 March 17, 2022 March 31, 2022	15%	-	-	3.00	-
Pushkar Baniya Limited	February 27, 2019 February 27, 2020 February 27, 2021 February 27, 2022	February 26, 2020 February 26, 2021 February 26, 2022 March 31, 2022	9%	-	-	6.50	-
Rozelle Sales & Services Private Limited	January 10, 2019 January 10, 2020 January 10, 2021 January 10, 2022	January 9, 2020 January 9, 2021 January 9, 2022 March 31, 2022	15%	-	-	9.00	-
			(B)	-	-	<b>43.50</b>	-
			(A+B)	<b>144.70</b>	-	<b>58.50</b>	-

\* Interest accrued and payable were paid before the balance sheet and hence there was no outstanding balance in interest accrued



**Smartworks Coworking Spaces Private Limited**  
(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**20. Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Provision for employee benefits:		
- Provision for gratuity (refer note 34)	8.91	4.52
- Provision for compensated absences	8.01	3.45
Other provisions:		
- Asset retirement obligation (refer note 20.1)	10.74	7.16
<b>Total</b>	<b>27.66</b>	<b>15.13</b>
<b>Current</b>		
Provision for employee benefits:		
- Provision for gratuity (refer note 34)	0.80	0.07
- Provision for compensated absences	1.92	0.83
Other provisions:		
- Provision for contingencies (refer note 20.1)	0.58	0.48
<b>Total</b>	<b>3.30</b>	<b>1.38</b>
<b>Note:</b>		
20.1. Movement of other provisions:		
	<b>Provision for Contingencies</b>	<b>Asset retirement Obligations</b>
<b>As at April 01, 2020</b>	<b>6.51</b>	<b>4.82</b>
Addition/(reversal) during the year	(6.03)	1.84
Interest accrued during the year	-	0.50
<b>As at March 31, 2021</b>	<b>0.48</b>	<b>7.16</b>
Addition/(reversal) during the year	0.10	2.81
Interest accrued during the year	-	0.77
<b>As at March 31, 2022</b>	<b>0.58</b>	<b>10.74</b>

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**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**21. Trade payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises	101.81	45.41
Total outstanding dues other than micro and small enterprises	350.01	160.87
<b>Total</b>	<b>451.82</b>	<b>206.28</b>

**Notes:**

21.1 The average credit period on purchases of goods and services is 45 days, except for brokerage & commission which is 90 days.

21.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
(I) (a) the principal amount remaining unpaid to any supplier (including payables on purchase of property, plant and equipment )	285.29	187.98
(b) interest due thereon	-	-
(II) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(III) Interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(IV) The amount of interest due and payable for the year	-	-
(V) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Trade payables ageing**

**As at March 31, 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
(i) Dues to MSME (A)	-	-	100.04	1.32	-	-	101.36
(ii) Others	126.46	8.59	198.39	14.20	2.33	0.04	350.01
(iii) Disputed dues-MSME (B)	-	-	-	0.30	0.15	-	0.45
<b>Total dues to micro and small enterprises (A+B)</b>							<b>101.81</b>
<b>Total others</b>							<b>350.01</b>

**As at March 31, 2021**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
(i) Dues to MSME (A)	-	-	44.86	0.10	-	-	44.96
(ii) Others	64.84	6.30	84.45	5.28	-	-	160.87
(iii) Disputed dues-MSME (B)	-	-	0.45	-	-	-	0.45
<b>Total dues to micro and small enterprises (A+B)</b>							<b>45.41</b>
<b>Total others</b>							<b>160.87</b>



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****22. Other financial liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Security deposits	808.62	234.24
<b>Total</b>	<b>808.62</b>	<b>234.24</b>
<b>Current</b>		
Security deposits	715.70	597.83
Payables on purchase of property, plant and equipment (refer note 22.1)	455.66	295.65
Interest accrued	7.78	4.41
<b>Total</b>	<b>1,179.14</b>	<b>897.89</b>

**Note:**

22.1. Includes amount due to Micro and Small Enterprises amounting Rs. 183.48 (March 31, 2021 - Rs.142.57).

**23. Other liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Deferred revenue	171.23	27.51
<b>Total</b>	<b>171.23</b>	<b>27.51</b>
<b>Current</b>		
Deferred revenue	90.49	29.30
Statutory dues	43.04	19.30
Advance from customers	7.52	16.39
Liability for customer loyalty (refer note 23.1)	1.71	18.05
<b>Total</b>	<b>142.76</b>	<b>83.04</b>

**Note**

23.1. Liability for customer loyalty represents credit/discount guaranteed to the customers upon satisfaction of agreed conditions related to retention.

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**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****24. Revenue from operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from lease rentals	3,481.91	2,713.18
Revenue from ancillary services	120.50	82.99
<b>Total</b>	<b>3,602.41</b>	<b>2,796.17</b>

**Note :**

**24.1.** Revenue from lease arrangements, where there is a material breach as per agreed terms & conditions and ultimate recovery of revenue is not probable, is not recorded in the statement of profit and loss. During the year ended March 31, 2022, amount of Rs. 7.34 (March 31, 2021, amount of Rs. 77.56) is not recorded as revenue considering ultimate recovery is not probable. Company has undertaken initiatives for recovery of such amounts and it will be recognised only when ultimate collection is probable and accordingly, Company has recognised revenue of Rs. 8.11.

**25. Other income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income earned on financial assets that are measured at amortised cost		
- Security deposits	58.70	41.98
- Interest income on bank deposits	53.66	57.11
- Interest income from subsidiary company	0.04	-
- Others	0.07	-
Income from delay in handover of property	63.00	-
Income from reimbursement of fitout	97.67	-
Other gain and losses		
- Net gain on financial assets mandatorily measured at FVTPL	-	11.37
- Interest income on income tax refund	1.96	6.78
- Liability/provision written back	17.33	8.24
- Lease termination gain	2.85	0.14
- COVID-19 related rent concessions (negative variable lease payments)	44.42	175.51
- Others	0.01	-
<b>Total</b>	<b>339.71</b>	<b>301.13</b>

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**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****26. Operating expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Housekeeping, security, support Service, plantation and pest control	300.56	204.45
Electricity and water charges	273.53	185.60
Building maintenance	266.08	257.56
Equipment hire charges	31.13	11.93
Asset hire charges	19.20	-
Commission and brokerage	138.39	94.23
Communication expenses	34.90	39.38
Lease rentals	0.11	19.63
Freight and transportation	12.19	4.54
Parking space charges	5.70	2.14
<b>Total</b>	<b>1,081.79</b>	<b>819.46</b>

**27. Employee benefits expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	241.41	182.57
Contributions to provident fund	0.86	0.74
Gratuity expense (refer note 34)	3.74	2.49
Staff welfare expenses	9.58	1.24
<b>Total</b>	<b>255.59</b>	<b>187.04</b>

**28. Finance costs**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on:		
- Lease liabilities	1,091.87	893.84
- Borrowings	121.17	69.65
Others:		
- Interest on asset retirement obligation	0.77	0.50
- Others	9.74	1.09
<b>Total</b>	<b>1,223.55</b>	<b>965.08</b>

**29. Depreciation and amortisation**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on:		
- Property, plant and equipment	510.54	452.75
- Right-of-use assets	1,605.88	1,268.85
Amortisation	2.65	1.66
<b>Total</b>	<b>2,119.07</b>	<b>1,723.26</b>



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****30. Other expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Business development	24.42	18.06
Legal and professional charges (refer note 30.1)	27.62	20.15
Travelling expenses	23.21	13.67
Postage and stationery	10.09	8.18
Consultancy expenses	25.53	12.26
Property, plant and equipment written off	23.34	9.36
Rates and taxes	5.20	1.55
Allowances for bad debts and advances	2.90	24.52
Provision for contingencies	0.10	-
Information technology expenses	14.26	11.71
Insurance charges	3.67	2.23
Interest on delay in deposit of statutory dues	1.10	0.73
Loss on fair valuation for asset held for disposal	-	0.35
Loss on sale of Property, plant & equipment	28.84	-
Miscellaneous expenses	11.56	4.55
<b>Total</b>	<b>201.84</b>	<b>127.32</b>

**Note:**

30.1. Legal and professional (excluding indirect taxes) expenditure includes:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory auditors		
- Statutory audit	4.35	5.30
- Out of pocket expense	0.20	0.23
<b>Total</b>	<b>4.55</b>	<b>5.53</b>

**31. (Loss)/Earnings Per Share ('EPS')**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Basic and dilutive</b>		
Loss for the year	(698.38)	(538.72)
Weighted average number of equity shares of Rs. 10 each - for basic and dilutive 'EPS'	95.58	95.58
Basic / dilutive loss per share	<b>(7.31)</b>	<b>(5.64)</b>

The cumulative convertible preference shares classified as equity instruments are included as a part of Basic EPS computation as these can be converted to equity shares at any point of time (refer note 18).



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**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****32. Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Contingent liabilities</b>		
Claims against the Company not acknowledged as debt:		
- Income tax matters (net of payments made)	1.45	1.99
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on property, plant and equipment and intangible assets and not provided for (net of related advances)	292.67	207.78
<b>C. Others</b>		
Letter of credit and guarantees excluding financial guarantees	22.00	8.20

**Notes:**

**32.1** Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.

**33. Segment reporting**

The Company's primary business segment involves developing and renting out co-working spaces in business centres. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company Performance, allocate resources based on the analysis of the various Performance indicator of the Company as a single unit of coworking spaces. Therefore there are no separate reportable business segments as per Ind AS 108- "Operating Segments".

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**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****34. Employee benefit plans****Defined contribution plans**

The Company makes provident fund contribution to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees provident fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The Company has recognised the following amounts in the Statement of Profit and Loss in the following years:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident fund contributions	0.86	0.74

**Defined Benefit Plans:****Gratuity**

- a) The Company offers its employees defined-benefit plans in the form of a gratuity scheme. Benefits under the defined benefit plans are based on years of service and the employee's compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.
- b) This plan are typically expose the company to actuarial risk such as: interest rate risk, longevity risk and salary risk.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(c) Significant Actuarial Assumptions**

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
a) Discount rate(s)	7.23%	4.92%
b) Expected rate(s) of salary increase	9.78%	8.00%
c) Mortality table used	100% of ILAM (2012-14)	100% of ILAM (2012-14)
d) Attrition rate		
-Below 30 years	39.01%	27.63%
-Ages 31-44 years	26.75%	27.63%
-Ages 44 & above	0.00%	27.63%
e) Rate of return on plan assets	N.A	N.A
f) Average remaining working lives of employees	26.87	27.40

The discount rate is based on prevailing market yields of Government of India bonds as at the valuation date balance sheet date for the expected term of obligation.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

(d) The following tables sets out the funded status of the defined benefit scheme in respect of gratuity and amount recognised in the Ind AS Standalone Financial Statements:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:		
a) Current service cost	3.52	2.09
b) Past service cost and (gains)/losses from settlements	-	-
c) Net interest expense	0.23	0.40
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>3.75</b>	<b>2.49</b>
Remeasurement on the net defined benefit liability		
a) Actuarial (gains)/loss arising form changes in financial assumptions	(0.25)	2.94
b) Actuarial (gains)/loss arising form changes in demographic assumptions	0.54	(4.26)
c) Actuarial (gains)/loss arising form experience adjustments	1.08	(2.59)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>1.37</b>	<b>(3.91)</b>
<b>Total</b>	<b>5.12</b>	<b>(1.42)</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>		
a) Present value of defined benefit obligation	9.71	4.60
b) Fair value of plan assets	-	-
c) Surplus/(Deficit)	<b>9.71</b>	<b>4.60</b>
d) Current portion of the above	0.80	0.08
e) Non current portion of the above	8.91	4.52

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>II. Change in the obligation during the year</b>		
Present value of defined benefit obligation at the beginning of the year	4.59	6.01
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	3.52	2.09
- Past Service Cost	-	-
- Interest expense (income)	0.23	0.40
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial assumptions	(0.25)	2.94
ii. Demographic assumptions	0.54	(4.26)
iii. Experience adjustments	1.08	(2.59)
Benefit payments	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>9.71</b>	<b>4.59</b>





**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by +/- 0.5%/+/- 1.00%, keeping all other actuarial assumptions constant:

Principal assumption	Changes in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
<b>a) Discount rate</b>			
As at March 31, 2022	0.5%	(0.32)	0.34
As at March 31, 2021	0.5%	(0.12)	0.13
<b>b) Salary growth rate</b>			
As at March 31, 2022	0.5%	0.30	(0.29)
As at March 31, 2021	0.5%	0.12	0.12

**Notes:**

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

**(f) Maturity profile of defined benefit obligation:**

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	0.80	0.08
1 - 2 year	1.39	0.40
2 - 3 year	1.75	0.55
3 - 4 year	1.39	0.65
4 - 5 year	1.13	0.47
5 year onwards	9.17	2.45

(g) The Company expects to make a contribution of Rs. 5.75 millions to the defined benefit plan during the next financial year.

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**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022****35. Related party transactions and balances****35.1. Names of related parties and related party relationships****Entity having control over the Company**NS Niketan LLP  
SNS Infrarealty LLP**Subsidiaries**Smartworks Tech Solutions Private Limited (Formerly known as Smartworks Coliving Private Limited)  
Smartworks Office Services Private Limited**Entities where key management personnel (KMP) and their relatives exercise significant influence**Vision Comptech Integrators Limited  
Smart IT Services Private Limited  
SML Smart Technologies Private Limited  
Talbot & Co  
Talbotforce Services Private Limited**Key management personnel**Neetish Sarda (Managing director)  
Harsh Binani (Wholetime director)  
Punam Dargar (Company secretary)**Relatives of key management personnel**Neeta Sarda  
Ghanshyam Sarda  
Saumya Binani**Others related parties\***Swarna Technology Private Limited  
VOW ERP Solutions Private Limited

\*These parties are either distant relatives of KMPs or companies where such relatives are directors / shareholders and these parties are strictly not related parties as per definition of Ind AS 24 - 'Related Party Disclosures'. Disclosure of transactions with such parties are solely included by way of a voluntary disclosure following best corporate governance practices followed by the company and hence such parties may not be disclosing these transactions as related party transaction in their financial statements / book of accounts.

**35.2. Related party transactions**

	Name of related party	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from lease rental	Talbot & Co	0.15	0.15
	Talbot Force Services Private Limited	1.02	0.35
	Swarna Technology Private Limited	0.70	0.25
	Smartworks Tech Solutions Private Limited	0.05	-
	Smartworks Office Services Private Limited	0.05	-
	VOW ERP Solutions Private Limited	0.37	-
Income from ancillary services	Talbot & Co	0.00	-
	Swarna Technology Private Limited	0.01	0.00
	Talbot Force Services Private Limited	0.11	-
	VOW ERP Solutions Private Limited	0.00	-
Sale of Assets	Vision Comptech Integrators Limited	14.44	-
Repayment of lease liability (including interest)	Vision Comptech Integrators Limited	88.56	87.08
Building maintenance	Vision Comptech Integrators Limited	29.52	30.28
	Swarna Technology Private Limited	0.15	0.49
Variable lease rentals	Vision Comptech Integrators Limited	-	0.87
Equipment hire charges	Smart IT Services Private Limited	6.43	6.31
	Talbot & Co	0.73	0.53
	Talbot Force Services Private Limited	2.75	0.59
	Swarna Technology Private Limited	0.06	-
Information technology expenses	Swarna Technology Private Limited	7.38	3.73
Housekeeping and security charges	Talbot & Co	2.27	64.93
	Talbot Force Services Private Limited	334.30	119.34
Computers and data processing units	Swarna Technology Private Limited	6.85	-
Shares purchased from KMP	Neetish Sarda	-	0.00
Expenditure made on behalf of Subsidiary	Smartworks Office Services Private Limited	0.00	-
Interest received on borrowings given	Smartworks Tech Solutions Private Limited	0.04	-



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

Interest on borrowings	SML Smart Technologies Private Limited Vision Comptech Integrators Limited	1.35 4.31	1.35 -
Reimbursements of expenses	Vision Comptech Integrators Limited Talbot Force Services Private Limited Smartworks Tech Solutions Private Limited	28.28 1.13 20.05	12.02 - -
Remuneration to KMP	Neetish Sarda (refer note 35.3.3) Harsh Binani Punam Dargar	8.40 7.20 1.25	1.40 6.51 0.80
Security deposit refunded	Vision Digital Insurance Tpa Private Limited Talbot & Co	- -	18.50 3.20
Security deposit taken	Smartworks Tech Solutions Private Limited Smartworks Office Services Private Limited	0.02 0.02	- -
Borrowings given	Smartworks Tech Solutions Private Limited	3.85	-
Borrowings taken	Vision Comptech Integrators Limited	157.20	-
Borrowings repaid	Vision Comptech Integrators Limited	27.50	-

**35.3. Related party outstanding balances**

	Name of related party	As at March 31, 2022	As at March 31, 2021
Unsecured borrowings	SML Smart Technologies Private Limited Vision Comptech Integrators Limited	15.00 129.70	15.00 -
Short term borrowings given	Smartworks Tech Solutions Private Limited	3.89	-
Expenditure made on behalf of Subsidiary	Smartworks Office Services Private Limited	0.00	-
Advance from employee	Neetish Sarda	0.29	-
Unbilled Revenue	Talbot Force Services Private Limited Smartworks Tech Solutions Private Limited	0.07 20.05	- -
Advance to Trade Payables	Vision Comptech Integrators Limited Swarna Technology Private Limited	1.39 1.07	- -
Trade payables	Vision Comptech Integrators Limited Smart IT Services Private Limited Talbot & Co Talbot Force Services Private Limited Swarna Technology Private Limited	- - 0.61 89.48 -	1.96 0.01 3.47 46.87 3.33
Security deposit taken	Smartworks Tech Solutions Private Limited Smartworks Office Services Private Limited	0.02 0.02	- -
Non-current investments	Smartworks Tech Solutions Private Limited Smartworks Office Services Private Limited	0.10 0.10	0.10 0.10
Advance from customers	Talbot Force Services Private Limited	0.01	-
Trade receivables	Smartworks Tech Solutions Private Limited Smartworks Office Services Private Limited Swarna Technology Private Limited VOW ERP Solutions Private Limited	0.05 0.05 0.71 0.37	- - 0.24 -

**Notes:**

35.3.1. Refer note 19 for the guarantees issued by KMP's for the Company.

35.3.2. The above transaction figures are inclusive of Taxes.

35.3.3. Neetish Sarda ('KMP') has foregone his remaining salary of Nil (March 31, 2021-Rs. 70.00)



**Smartworks Coworking Spaces Private Limited**  
 (All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**35.4. Compensation of key management personnel**

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term benefits	16.85	8.72
Post-employment benefits	2.24	1.21
<b>Total</b>	<b>19.09</b>	<b>9.93</b>

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Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022

36 Financial instruments

36.1. Categories of financial instruments

Particulars	Level	As at March 31, 2022		As at March 31, 2021	
		FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>					
Trade receivables		-	105.02	-	70.61
Cash and cash equivalents		-	222.66	-	93.38
Other bank balances		-	796.77	-	929.61
Loans		-	3.89	-	-
Other financial assets		-	1,382.70	-	927.94
<b>Financial liabilities</b>					
Borrowings		-	2,476.03	-	1,342.79
Trade payables		-	451.82	-	206.28
Other financial liabilities		-	1,987.76	-	1,132.13

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

The fair value of instruments measured at amortised cost is equivalent to the carrying cost of financial instruments.

Particulars	Level	As at March 31, 2022		As at March 31, 2021	
		Fair value	Amortised cost	Fair value	Amortised cost
Other financial assets - Security deposits	Level 3	1,085.49	1,085.49	688.19	653.59
Other financial liabilities - Security deposits	Level 3	1,524.32	1,524.32	833.14	832.06

The fair value of Security deposits was estimated based on the contractual terms of the security deposits and parameters such as interest rates. Since, the data from any observable markets in respect of interest rates were not available, the interest rates were considered to be significant unobservable inputs to the valuation of these deposits.

36.1.1 Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

36.2. Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's risk management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

36.2.1. Market Risk

36.2.1.1. Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Company as there are no material transactions in currency other than functional currency of the Company.

36.2.1.2. Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings keeping in view of current market scenario.

Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Variable rate borrowings	1,961.57	1,281.54	
Fixed rate borrowings	514.46	61.25		

Sensitivity:

Profit or loss is sensitive to higher/ lower interest expense from variable rate borrowings as a result of changes in interest rates (for complete year on closing balance) :

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Increase by 1%	19.62	12.82	
Decrease by 1%	(19.62)	(12.82)		



**Smartworks Coworking Spaces Private Limited**

(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**36.2.1.3. Credit risk management**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk mainly with respect to trade receivables, investment in mutual funds, bank deposits and bank balances.

**36.2.2.1 Trade receivables**

The trade receivables of the Company are typically non-interest bearing and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is minimal concentration of credit risk. The credit period provided by the Company to its customers generally ranges from 7 days.

The management performs ongoing assessment of trade receivables for each customer basis the terms and conditions of each contract to identify the material breach. Facts and circumstances relevant to each customer are reviewed by the management to assess credit risk. Receivables are credit impaired to the extent unsecured and there is no convincing evidence establishing collection of consideration in near future.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of profit and loss.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Neither past due nor impaired	5.77	33.19
Past due but not impaired		
- Less than 30 days	22.14	18.30
- 30 to 60 days	7.75	8.08
- 60 to 90 days	0.96	5.14
- above 90 days	68.41	5.91

**36.2.2.2 Other financial instruments and bank deposits**

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

**36.2.3. Liquidity risk management**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities, security deposits from customers to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The Company has incurred loss for the financial year ended March 31, 2022 of Rs. 698.37 (Rs. 538.71 for the financial year ended March 31, 2021) and as at that date, the current liabilities exceeded its current assets by Rs. 2,574.09 (Rs. 1,432.68 as at March 31, 2021). Management has undertaken initiatives to manage its liquidity position such as (a) maintaining the overall occupancy by retaining existing customers and utilising the security deposits which are classified as current liabilities; (b) shifting to bigger business centers for cost efficiency and higher revenue and (c) obtaining external borrowings and engaging in fund raising activities. Considering external funding arrangements with banks and other aforesaid initiatives, the management of the Company has concluded that it will have sufficient cash flows for operating the Company on a going concern basis.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Less 1 year	1 year – 5 years	More than 5 years	Total	Carrying Amount
<b>As at March 31, 2022</b>					
<b>Non-Interest bearing</b>					
Trade payable	451.82	0.00	0.00	451.82	451.82
Other financial liabilities	1,171.36	1,012.61	0.00	2,183.97	1,979.98
<b>Fixed Interest rate instruments</b>					
Borrowings (including interest)	546.11	3.28	0.11	549.50	515.51
Lease liabilities	3,442.58	15,557.88	13,361.97	32,362.43	22,193.16
<b>Variable Interest rate instruments</b>					
Borrowings (including interest)	924.32	1,319.91	0.00	2,244.23	1,968.30
<b>Total</b>	<b>6,536.19</b>	<b>17,893.68</b>	<b>13,362.08</b>	<b>37,791.95</b>	<b>27,108.77</b>
<b>As at March 31, 2021</b>					
<b>Non-Interest bearing</b>					
Trade payable	206.28	-	-	206.28	206.28
Other financial liabilities	893.48	293.79	-	1,187.27	1,127.72
<b>Fixed Interest rate instruments</b>					
Borrowings (including interest)	63.50	2.15	-	65.65	61.27
Lease liabilities	2,061.76	7,836.67	4,827.52	14,725.95	10,288.88
<b>Variable Interest rate instruments</b>					
Borrowings (including interest)	665.47	728.90	3.97	1,398.34	1,285.93
<b>Total</b>	<b>3,800.49</b>	<b>8,861.51</b>	<b>4,831.49</b>	<b>17,583.49</b>	<b>12,970.08</b>



**Smartworks Coworking Spaces Private Limited**  
(All amounts are in millions of Indian Rupees, unless stated otherwise)

**Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022**

**36.2.4. Fair value measurement**

There are no financial asset / liabilities that are measure at fair value except investment in mutual funds.

**36.2.5. Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:**

Balance sheet caption	Statement of cash flows line item	April 1, 2021	Cash flows (net)	Non - Cash items		March 31, 2022
				Addition on account of ROU (Net of termination)	Reclassification to Trade Payables	
Lease liabilities	Repayment of lease liability	10,288.88	(565.48)	12,564.77	(95.01)	22,193.16
Borrowings	Proceeds/repayments of borrowings (including short term)	850.20	1,080.44	-	-	1,930.64

**37 Capital Management**

The purpose of the Company's capital management is to maintain an optimal capital structure to reduce the Cost of capital.

Management monitors capital on the basis of the carrying amount of equity and net debt (adjusted for cash and cash equivalents) as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	2,483.81	1,347.20
Less: Cash and cash equivalents	(222.66)	(93.38)
Less: Bank deposits (includes deposits under lien)	(1,074.55)	(1,196.89)
<b>Net Debt (A)</b>	<b>1,186.60</b>	<b>56.93</b>
Equity	1,142.64	1,841.02
<b>Total Capital</b>	<b>1,142.64</b>	<b>1,841.02</b>
<b>Capital and Net Debt (B)</b>	<b>2,329.24</b>	<b>1,897.95</b>
<b>Gearing ratio (A/B)</b>	<b>50.94%</b>	<b>3.00%</b>

**Note:**

**37.1** Net debt does not include lease liability.

**38** The Board of Directors have not declared any dividend and accordingly has not made any apportionment with respect to dividend for cumulative convertible preference shares amounting to Rs. 12.72 (March 31, 2021 Rs. 3.96) in the Standalone Financial Statements for year ending March 31, 2022 & March 31, 2021 respectively.

**39 Assets and Liabilities held for sale**

There are no assets held for sale as of March 31, 2022. Assets held for sale as of March 31, 2021 related to leasehold improvements and other property, plant and equipments. The disposals do not meet the criterion of discontinued operations as per Ind AS 105.

For these disposal group, the company agreed a selling price with purchaser which is used as the fair value for the impairment test and the same has been classified as Level 3 on the fair value heirarchy. The disposals are settled in current financial year and impairment loss has been recognised in classification of assets held for sale.

The disposal groups were stated at their fair value and comprises of the following assets.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets of disposal group classified as held for sale</b>				
Property Plant and Equipment:				
- Leasehold improvement	-	-	0.67	0.66
- Electrical Installations/Equipments	-	-	0.92	0.77
- Plant and equipment	-	-	1.20	1.15
- Furniture and fixtures	-	-	8.64	8.55
- Computers and data processing units	-	-	0.37	0.44
- Office equipment	-	-	0.41	0.29
	-	-	<b>12.21</b>	<b>11.86</b>

**40** The Company did not grant any loan or advance in the nature of loans to any of its promoters, directors, KMPs or other related parties, as defined under the Companies Act, 2013, in the current year and in the previous year.

**41 Relationship with struck off companies**

Relationship with struck off Company	Nature of transactions	Name of struck off company	As at March 31, 2022	As at March 31, 2021
Customer	Trade receivables	Estivus Overseas Management Private Limited	0.04	0.04
Vendor	Trade Payables	Chinni Beverages Private Limited	0.04	0.00
		Security & Intelligence Gaurd Services Private Limited	0.09	0.09
	Capital Advances	Spes Technologies India Private Limited	0.22	0.22



Notes forming part of the Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022

42 Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Remarks for variance more than 25%
Current Ratio [no. of times]	Current Assets	Current Liabilities	0.41	0.52	(21.15%)	Not Applicable
Debt-equity ratio [no. of times]*	Non-current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	1.07	0.05	2040.00%	Increase on account of addition in borrowings
Debt service coverage ratio [no. of times]	Profit before depreciation, amortisation, finance costs, exceptional items and tax	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	1.27	1.07	18.69%	Not Applicable
Return on equity ratio - [no. of times]	Loss for the year	Average Equity	(0.47)	(0.26)	(80.77%)	Decrease on account of significant increase in loss during the year
Trade receivables turnover ratio - [no. of times]	Revenue from operations	Average trade receivables	41.02	51.29	(20.02%)	Not Applicable
Trade payable turnover ratio - [no. of times]	Purchases of services and other expenses	Average trade payables	3.90	5.62	(30.61%)	Decrease on account of significant increase in expenses
Net capital turnover ratio - [no. of days]	Revenue from operations	Average working capital (i.e. current assets- current liabilities)	(1.28)	(1.95)	34.36%	Increase on account of significant decrease in working capital
Net profit ratio (%)	Loss for the year	Revenue from operations	(0.19)	(0.19)	0.00%	Not Applicable
Return on capital employed (%)	Adjusted EBIT	Average Capital Employed**	0.12	0.13	7.69%	Not Applicable
Return on investment (%)	Income generated from investments as FVTPL	Time weighted average investments at FVTPL	-	-	-	Not Applicable

\* excluding lease liabilities

\*\* Average Capital Employed = Average of (Equity + Net Debt - Current Investments)

43 Events occurring after reporting period

Subsequent to year end, the Company has entered into a sale and lease back transaction in respect to plant and equipment of certain business centers. The Company has received Rs. NIL (March 31, 2021- Rs. 305.75 (net of security deposit and other related items amounting NIL(March 31, 2021- Rs. 70.77)) as sale consideration and is obligated to pay Rs. NIL (March 31, 2021-Rs. 34.76) as quarterly lease payment for 3 years.

Subsequent to year end, the Company has obtained additional borrowings amounting Rs. 1,705.97 (March 31, 2021-Rs. 627.50) in the form of term loans / working capital loan from financial institutions. Further, the Company has obtained unsecured inter-corporate deposit amounting to Rs. 103.50 from related party (March 31, 2021-Rs. 129.70) and renewed earlier loan from one of related party of Rs. 129.70 for a period of 3 years.

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For the financial year ended March 31, 2021, the Board of Directors of the Company noted that certain anonymous allegation mails / letters have been received by Company's various stakeholders inter alia alleging irregularities in operation of the Company, illegal / unexplained source of funds, non-payment of borrowings and involvement in abatement to suicide. by the Company, its promoters and their relatives. One of the shareholders on behalf of the Board of Directors of the Company appointed independent advocates ("Independent Advocates") for conducting financial / legal due diligence of such anonymous allegation mails / letters. Based on the due diligence performed by Independent Advocates and after considering the relevant underlying evidences, it concluded that all such allegations appear to be baseless and devoid of any substance other than one matter which is sub-judice.

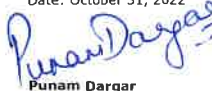
The Board of Directors of the Company have considered the report submitted by Independent Advocates and concluded that such allegations are baseless and there is no impact on the operations and the Standalone Financial Statements of the Company.

Further, the Company has taken appropriate steps against such anonymous persons by filing First Information Report ("FIR") with Cyber Crime branch, New Delhi and civil defamation suit in the High Court of Karnataka at Bengaluru. A charge sheet for the said FIR is yet to be filed. The Company has obtained an order from Hon'ble Karnataka High Court whereby the Respondent has been restrained from sharing, publishing, disseminating in public any derogatory e-mails, letters, publications against the petitioners and any copy printed or digitally through e-mail IDs mentioned in the application. In addition, the Company also filed a civil case before the court of PRL City Civil and Sessions Judge, Bengaluru against another anonymous person and the court has passed an order in which the Respondent has been restrained from in any manner directly or indirectly publishing, commenting, communicating, circulating the letter or issuing any articles, interview and material to the public in any manner whatsoever containing defamatory statement which has the effect of damaging the reputation of the Company.

For and on behalf of the Board of Directors of  
Smartworks Coworking Spaces Private Limited

  
Naitish Sarda  
Managing Director  
DIN: 07762894  
Place: Noida  
Date: October 31, 2022

  
Harsh Binani  
Wholetime Director  
DIN: 07717396  
Place: Noida  
Date: October 31, 2022

  
Punam Dargar  
Company Secretary  
Place: Noida  
Date: October 31, 2022

